
Uranium Prices - Overview

TradeTech, through its predecessor the Nuclear Exchange Corporation, which later became known as NUEXCO, was the first organization to publish uranium prices, beginning in August 1968 with the NUEXCO Exchange Value® as a measure of spot uranium prices and the NUEXCO Loan Rate as a measure of the annual percentage rate for natural uranium loans. During the 1970s, the NUEXCO Exchange Value® began to be incorporated into many long-term uranium contracts as the settlement price for deliveries under those contracts.

Since 1968, NUEXCO, and then TradeTech, have added a series of uranium prices, to cover the full range of products and services in the “front end” of the nuclear fuel cycle (uranium, conversion, and enrichment [SWU]), for both the spot and long-term markets.

NUEXCO as Bank Service for Uranium

NUEXCO was founded with the intention of serving as a banking service for uranium. Parties with excess uranium stocks could “deposit” the uranium into an account with the company, and parties with short-term needs could borrow uranium from the company. NUEXCO early on recognized that two market parameters would need to be developed in order to make this banking concept successful.

The Loan Rate was developed as NUEXCO’s quoted rate applying to the interest that borrowers would pay NUEXCO’s uranium depositors, and the NUEXCO Exchange Value® was developed as NUEXCO’s measure of the underlying value of the uranium to which the loan rate would be applied. In addition, the borrowers were unlikely to be able to repay exactly the same quantity of uranium borrowed, because of variations in the uranium content of shipping containers; accordingly, any shortages or excesses of uranium repaid by the borrower would be compensated to the appropriate party on the basis of the NUEXCO Exchange Value®.

Although the concept of the uranium bank never was successfully implemented, NUEXCO continued to publish the NUEXCO Exchange Value® and Loan Rate as a service to the industry. The monthly publication of these market prices has continued to this day, through the transition of ownership by TradeTech. In addition, the definitions have not changed substantially during this period, making these prices the longest-running uranium price indicator series in the nuclear fuel industry.

Additional Uranium Prices

As commercial markets developed for other nuclear fuel commodities and services, NUEXCO and TradeTech implemented appropriate prices for those markets, which now include uranium hexafluoride (UF₆) conversion services, natural UF₆ product, and enrichment services (SWU). In 1996, TradeTech began the publication of a Weekly Uranium Spot Price Indicator to reflect the rapid changes in prices being experienced by the market at the time. That same year, TradeTech was the first in the industry to begin the publication of Long-Term Uranium Prices, as measures of the base prices in new long-term contracts for uranium, conversion, and enrichment.

During various periods of market distortion due to international trade restrictions in uranium and enrichment, NUEXCO and TradeTech issued its spot prices as separate values for the appropriate markets affected, typically using the phrases “restricted market price” and “unrestricted market price” to reflect the appropriate market regions. In early 2000, TradeTech was the first organization to begin the publication of separate Conversion

Values for North American versus European delivery, to reflect the regional imbalance in supply/demand in those regions.

TradeTech began publishing a Daily Uranium Spot Price Indicator on March 1, 2011 because the uranium spot market witnessed more vigorous trading activity over the previous two years, with a wider range of buyers and sellers, which has led to greater price volatility.

Because of this tradition and market leadership, TradeTech continues to offer the most comprehensive, longest-running array of uranium market prices available to the industry.

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